

**U.S. Department of Education**

**Staff Report  
to the  
Senior Department Official  
on  
Recognition Compliance Issues**

<b>RECOMMENDATION PAGE</b>
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1. **Agency:** American Board of Funeral Service Education (1972/2002)  
(The dates provided are the date of initial listing as a recognized agency and the date of the agency's last grant of recognition.)
2. **Action Item:** Compliance Report
3. **Current Scope of Recognition:** Scope of Recognition: The accreditation of institutions and programs within the United States awarding diplomas, associate degrees and bachelor's degrees in funeral service or mortuary science, including the accreditation of distance learning courses and programs offered by these programs and institutions.
4. **Requested Scope of Recognition:** Same as above.
5. **Date of Advisory Committee Meeting:** December, 2012
6. **Staff Recommendation:** Renew the agency's recognition for a period of three years.
7. **Issues or Problems:** None

## **EXECUTIVE SUMMARY**

### **PART I: GENERAL INFORMATION ABOUT THE AGENCY**

The American Board of Funeral Service Education (ABFSE), Committee on Accreditation (COA), is a national specialized accrediting agency. Its current scope of recognition is the accreditation of institutions and programs awarding diplomas, associate degrees and bachelor's degrees in funeral service or mortuary science. ABFSE is, therefore, both an institutional and programmatic accreditor.

ABFSE currently accredits approximately 46 programs in 31 states and the District of Columbia. ABFSE also accredits 11 single purpose institutions, two of which also have regional accreditation. However, it serves as the Title IV gatekeeper, of nine institutions enabling them to establish eligibility to participate in the Title IV student financial aid programs. As such, it must meet the separate and independent requirements as set forth in the Secretary's Criteria for Recognition or seek a waiver.

#### **Recognition History**

At the NACIQI's May 2007 meeting the agency petitioned for continued recognition and an expansion of its scope of recognition to include distance education. At that meeting the NACIQI recommended that the Secretary defer a decision on continued recognition for a period of one year, but did not make a specific recommendation regarding the agency's request for an expansion of its scope of recognition. The agency accepted the NACIQI's recommendation to defer its recognition for a year. However, it appealed and requested the Secretary to grant its request to expand its current scope of recognition to include distance education courses and programs. In November 2007, the Secretary granted the agency's appeal to have distance education included in its current scope of recognition and required the agency to submit an interim report by March 2008. addressing the following issues:

At the NACIQI's June 2008 meeting the agency presented its interim report and supporting documentation. Both the Department and the NACIQI recommended that the agency's recognition be renewed for a period of four years. The Secretary had not made a final decision prior to passage of the Higher Education Opportunity Act, which contained a number of provisions related to accrediting agency recognition that were effective upon enactment. Subsequently, new regulations were developed, effective July 1, 2010. As a consequence, the

agency was required to submit an updated petition for review by staff and NACIQI.

At its December 2010 meeting the NACIQI recommended to continue the agency's recognition and require it to submit a compliance report demonstrating the agency's compliance with the 13 issues identified in the staff report. The compliance report is the subject of this review.

## **PART II: SUMMARY OF FINDINGS**

### **§602.10 Link to Federal programs**

**The agency must demonstrate that--**

- (a) If the agency accredits institutions of higher education, its accreditation is a required element in enabling at least one of those institutions to establish eligibility to participate in HEA programs; or**
- (b) If the agency accredits institutions of higher education or higher education programs, or both, its accreditation is a required element in enabling at least one of those entities to establish eligibility to participate in non-HEA Federal programs.**

The agency provided documentation reflecting the accrediting status of 11 free-standing institutions where the accreditation by ABFSE may enable them to participate in Title IV programs administered by the U.S. Department of Education. The agency currently serves as the Title IV gate keeper for 9 of the 11 institutions.

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### **§602.14 Purpose and organization**

- (a) The Secretary recognizes only the following four categories of agencies:**

**The Secretary recognizes...**

- (1) An accrediting agency**

- (i) Has a voluntary membership of institutions of higher education;**
- (ii) Has as a principal purpose the accrediting of institutions of higher education and that accreditation is a required element in enabling those institutions to participate in HEA programs; and**
- (iii) Satisfies the "separate and independent" requirements in paragraph (b) of this section.**

- (2) An accrediting agency**

- (i) Has a voluntary membership; and**
- (ii) Has as its principal purpose the accrediting of higher education programs, or higher education programs and institutions of higher education, and that accreditation is a required element in enabling those entities to participate in non-HEA Federal programs.**

**(3) An accrediting agency for purposes of determining eligibility for Title IV, HEA programs--**

- (i) Either has a voluntary membership of individuals participating in a profession or has as its principal purpose the accrediting of programs within institutions that are accredited by a nationally recognized accrediting agency; and**
- (ii) Either satisfies the "separate and independent" requirements in paragraph (b) of this section or obtains a waiver of those requirements under paragraphs (d) and (e) of this section.**

**(4) A State agency**

- (i) Has as a principal purpose the accrediting of institutions of higher education, higher education programs, or both; and**
- (ii) The Secretary listed as a nationally recognized accrediting agency on or before October 1, 1991 and has recognized continuously since that date.**

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During its last review of the agency, Department staff determined that the agency's initial recognition in 1972 was as a specialized accrediting agency and that classification under 602.14 (a)(3) was a more appropriate link to eligibility since the agency's principle purpose is to accredit programs that prepare individuals to participate in a profession, and that it accredits programs within institutions that are accredited by a nationally recognized accrediting agency. Under the classification of a 602.14(a)(3) the agency would be authorized to accredit single purpose institutions for Title IV eligibility purposes. In its compliance report the agency requested recognition as a 602.14(a)(3) agency and also submitted a request for a waiver of Secretary's separate and independent requirements under paragraphs (d) and (e) of this section.

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**(b) For purposes of this section, the term separate and independent means that--**

- (1) The members of the agency's decision-making body--who decide the accreditation or preaccreditation status of institutions or programs, establish the agency's accreditation policies, or both--are not elected or selected by the board or chief executive officer of any related, associated, or affiliated trade association or membership organization;**
- (2) At least one member of the agency's decision-making body is a representative of the public, and at least one-seventh of that body consists of representatives of the public;**

- (3) The agency has established and implemented guidelines for each member of the decision-making body to avoid conflicts of interest in making decisions;**
  - (4) The agency's dues are paid separately from any dues paid to any related, associated, or affiliated trade association or membership organization; and**
  - (5) The agency develops and determines its own budget, with no review by or consultation with any other entity or organization.**
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The agency is requesting a waiver of the "Separate and Independent" requirements.

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**(d) For purposes of paragraph (a)(3) of this section, the Secretary may waive the "separate and independent" requirements in paragraph (b) of this section if the agency demonstrates that--**

- (1) The Secretary listed the agency as a nationally recognized agency on or before October 1, 1991 and has recognized it continuously since that date;**
- (2) The related, associated, or affiliated trade association or membership organization plays no role in making or ratifying either the accrediting or policy decisions of the agency;**
- (3) The agency has sufficient budgetary and administrative autonomy to carry out its accrediting functions independently; and**
- (4) The agency provides to the related, associated, or affiliated trade association or membership organization only information it makes available to the public.**

**(e) An agency seeking a waiver of the "separate and independent" requirements under paragraph (d) of this section must apply for the waiver each time the agency seeks recognition or continued recognition. (NOTE: An agency must respond to this section only if it is requesting a waiver of the "separate and independent" requirement.)**

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During the last review of the agency it failed to request a waiver of the "separate and independent" requirement. In its compliance report the agency reports that the COA approved the submission of a request to the Secretary to waive the Separate and Independent requirements of Sec 602.14(b) of these requirements at its April 2011 meeting. In accordance with the requirements of this section (d);

- (1) The Secretary listed the agency as a nationally recognized agency on or before October 1, 1991 and has recognized it continuously since that date;**

The agency has been continuously recognized by the Secretary since 1972.

2) The related, associated, or affiliated trade association or membership organization plays no role in making or ratifying either the accrediting or policy decisions of the agency;

While the American Board of Funeral Education (ABFSE) is the affiliated membership organization of the Committee on Accreditation (COA), a standing committee of the ABFSE, the COA has provided documentation that it "functions autonomously and independently of the Board" (Exhibit #3, Section B, page 3-1) and possesses the sole authority "to grant candidacy, initial accreditation, or reaccreditation to institutions of funeral service education" (Exhibit #3, Section A, page 2-6). The COA is also "responsible for all policies related to accreditation, including the Standards, accreditation processes, accreditation procedures, and granting or taking other actions regarding candidacy and accreditation" (Exhibit #3, Section F, page 10-3).

In addition, the agency provided revised policies to make it clear that its procedures ensure that professional member nominees to the COA do not come from the leadership of the affiliated organizations, which would be a conflict of interest. The COA adopted the new policy language at its October 2011 meeting. The policy, in its entirety, can be seen in Exhibit #3 (P.2, page 10-7).

The agency has demonstrated that the ABFSE plays no role in making or ratifying the accrediting and policy decisions of the agency.

(3) The agency has sufficient budgetary and administrative autonomy to carry out its accrediting functions independently; and

While the agency's policies do not provide a process or demonstrate its autonomy in the development of its budget and collection of dues (page 9), Articles III and VI of the Bylaws (Exhibit #3, pages 2-4, 2-6 and 2-7) explicitly dictate that each group has its own separate budget and that fees for accreditation are established by the COA, whereas association dues are established by the ABFSE as verified on page 3 of the April 2011 COA minutes, attached as Exhibit #5.

ABFSE revenues are derived solely from association dues (\$18,000 per year for three organizations) and royalties received from the sale of two textbooks for which it owns the copyrights. The COA's revenues are derived from candidacy, initial accreditation, accreditation renewal, substantive change, and annual membership fees. The ABFSE pays 20 percent of shared expenses at the time they are billed, while the COA pays 80 percent. These shared expenses include staff salaries, office rent, copier costs, and utilities which are itemized in the COA's Memorandum of Understanding with the ABFSE (Exhibit #7). The budgets of the organizations are no longer "rolled together," but instead the COA budget is presented as a separate document, and appended as Exhibit #8. The most recent audit is appended as Exhibit #9. The agency also provided detailed summary of the 80/20 percent split between the COA and ABFSE that

include salaries and the amount of time spent by staff on membership and accreditation activities. The documentation provided by the agency demonstrates that the COA has the budgetary and administrative autonomy to carry out its accrediting responsibilities independently of the ABFSE.

(4) The agency provides to the related, associated, or affiliated trade association or membership organization only information it makes available to the public.

The agency provided supporting documentation which includes its April 2011 ABFSE Executive Committee minutes, in which both the COA Chair's and Executive Director's reports are referenced (Exhibit #4, pages 3 and 5). The information presented to the ABFSE by the Committee on Accreditation is information that the agency makes available to the public. The COA's policy statement on disclosure and confidentiality also provides guidance on what type of information is to be released to the public (Exhibit #3, page 10-1). Additionally, the position descriptions for the executive director and executive assistant include that they will insure that only information the COA makes available to the public will be released to ABFSE and other organizations.

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#### **§602.15 Administrative and fiscal responsibilities**

**The agency must have the administrative and fiscal capability to carry out its accreditation activities in light of its requested scope of recognition.**

**The agency meets this requirement if the agency demonstrates that--**

**(a) The agency has--**

**(5) Representatives of the public on all decision-making bodies; and**

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During the last review, the agency failed to provide documentation on how it verifies that each public member meets the definition of a public representative, specifically the component that requires that family members are not associated with any accredited program or associated organization. In its compliance report the agency provided its revised policies regarding its public representatives. Sub-sections a, b, and c of Section B (page 3-1), Exhibit #3 contain the agency's public member policy. The agency also provided supporting documentation, including resumes of the two current public members and documentation demonstrating how it verifies that each public member meets the definition requirements, specifically the component that requires that family members are not associated with any accredited program or associated organization.

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#### **§602.16 Accreditation and preaccreditation standards**

**(a) The agency must demonstrate that it has standards for accreditation, and preaccreditation, if offered, that are sufficiently rigorous to ensure that the agency is a reliable authority regarding the quality of the education or training provided by the institutions or programs it accredits. The agency meets this requirement if -**

- (1) The agency's accreditation standards effectively address the quality of the institution or program in the following areas:**

**(a)(1)(ix) Record of student complaints received by, or available to, the agency.**

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During its last review COA the Department found that while the agency provided compliant revised student complaint standard revisions to ensure that students are afforded the opportunity and guidance on submitting complaints, it did not demonstrate final adoption of its standards. In its compliance report the COA provided its adopted student complaint standard (Exhibit 3, 10.6 pages 9-11)

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#### **§602.17 Application of standards in reaching an accrediting decision.**

**The agency must have effective mechanisms for evaluating an institution's or program's compliance with the agency's standards before reaching a decision to accredit or preaccredit the institution or program. The agency meets this requirement if the agency demonstrates that it--**

**(g) Requires institutions that offer distance education or correspondence education to have processes in place through which the institution establishes that the student who registers in a distance education or correspondence education course or program is the same student who participates in and completes the course or program and receives the academic credit. The agency meets this requirement if it--**

**(1) Requires institutions to verify the identity of a student who participates in class or coursework by using, at the option of the institution, methods such as--**

**(i) A secure login and pass code;**

**(ii) Proctored examinations; and**

**(iii) New or other technologies and practices that are effective in verifying student identity; and**

**(2) Makes clear in writing that institutions must use processes that protect student privacy and notify students of any projected additional student charges associated with the verification of student identity at the time of registration or enrollment.**

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During COA's last review the Department found that it failed to demonstrate how it assesses institutions' verification of student identity for those enrolled in distance education via processes that protect student privacy and are transparent regarding costs associated with the verification process. In its compliance report the agency provided policies and procedures within its Electronic and Distance Learning Guidelines and Requirements (Exhibit #3, pages E-1 and E-2), and its annual report form which require each institution or program offering any courses via distance learning to provide documentation demonstrating processes to confirm identities of distance learning students that protect student privacy. The agency's policies also require the institutions/programs to "notify students of any projected additional student charges associated with the verification process" and "describe new or other technologies and practices in place that are effective in verifying identity of distance learning students". (Exhibit #3, B 5-5 and B 5-6).

The agency also provided an Administration Report and portions of a site visit report demonstrating its application of this requirement.

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#### **§602.22 Substantive change.**

**(a) If the agency accredits institutions, it must maintain adequate substantive change policies that ensure that any substantive change to the educational mission, program, or programs of an institution after the agency has accredited or preaccredited the institution does not adversely affect the capacity of the institution to continue to meet the agency's standards. The agency meets this requirement if--**

**(1) The agency requires the institution to obtain the agency's approval of the substantive change before the agency includes the change in the scope of accreditation or preaccreditation it previously granted to the institution; and**

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During the COA's last review the Department found that it failed to demonstrate that it has and applies effective mechanisms for reviewing and approving all types of substantive change requests. In its compliance report the agency provided its updated substantive change policies and procedures, including application forms for each type of substantive change that prescribe the information and supporting documentation the institution must submit, and specify when an onsite visit is required. The agency's policies and procedures ensure some level of consistency in the review and approval processes.

The agency reports that it has not had an opportunity to apply the requirements for its freestanding institutions

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**(2) The agency's definition of substantive change includes at least the following types of change:**

**(i) Any change in the established mission or objectives of the institution.**

**(ii) Any change in the legal status, form of control, or ownership of the institution.**

**(iii) The addition of courses or programs that represent a significant departure from the existing offerings of educational programs, or method of delivery, from those that were offered when the agency last evaluated the institution.**

**(iv) The addition of programs of study at a degree or credential level different from that which is included in the institution's current accreditation or preaccreditation.**

**(v) A change from clock hours to credit hours.**

**(vi) A substantial increase in the number of clock or credit hours awarded for successful completion of a program.**

**(vii) If the agency's accreditation of an institution enables the institution to seek eligibility to participate in title IV, HEA programs, the entering into a contract under which an institution or organization not certified to participate in the title IV, HEA programs offers more than 25 percent of one or more of the accredited institution's educational programs.**

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During the COA's last review the Department found that its substantive change policies did not include all the types of substantive changes listed in the criteria for recognition, and that it needed to provide documentation clearly reflecting its review and approval of substantive changes. In its compliance report the agency provided its updated substantive change policies that include guidance and forms and the process for receiving and approving substantive changes. The agency's policies also include all the types of substantive changes required by this section.

The agency reports that it has not had the opportunity to apply its new substantive change policies and procedures.

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**(ix) The acquisition of any other institution or any program or location of another institution.**

**(x) The addition of a permanent location at a site at which the institution is conducting a teach-out for students of another institution that has ceased operating before all students have completed their program of study.**

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During the agency's last review it failed to demonstrate that its substantive change policies have effective mechanisms in place to review and approve substantive changes identified in this section of the criteria. In its compliance report the agency provided its updated substantive change policies and procedures for the types of substantive changes and outlined its process to review and approve those types of changes required by this section. The types of changes described in subparagraphs (ix) and (x) of this criterion are included in the applications for approval of a sponsorship change and for approval of additional locations, respectively. In both cases, a one-day on-site visit is required within 6 months of the effective date of the change.

The agency also reported that it has not had the opportunity to apply the requirements of this section.

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**(3) The agency's substantive change policy must define when the changes made or proposed by an institution are or would be sufficiently extensive to require the agency to conduct a new comprehensive evaluation of that institution.**

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During the COA's last review the agency failed to demonstrate that it has defined, and applies, as appropriate, in its review of substantive changes, those situations/factors of a substantive change under this section of the criteria that are significant enough to warrant a new comprehensive evaluation of the institution. In its compliance report the agency provided its revised substantive change policies that identify those changes that would be key indicators of potential impact that will trigger the need for a comprehensive re-evaluation. (Exhibit #3, page 8-5). While the agency's policy includes some situations/factors, such as the submission of more than three substantive change applications at one time, it also includes a blanket statement -- "any other changes in the institution's ability to comply with the Standards will result in the need for a comprehensive evaluation." It is not clear how the agency makes this determination, nor is it clear how the agency would ensure consistency in its application of its policy.

The agency reports that it has not had the opportunity to apply the requirements of this section.

### **Analyst Remarks to Response:**

In response to the draft staff analysis COA revised and adopted policies for requiring a new comprehensive evaluation of an institution. As documentation, the agency provided its revised policy manual that incorporates the revisions on page 8-6, and copies of COA minutes at which the revisions were adopted (documents uploaded by staff). The agency's policies now clarify and describe how COA defines and determines which changes within an institution are significant enough to warrant a new evaluation. The agency has also changed the timeframe for initiating COA action to six months. The agency's policies also include processes to review and approve substantive changes that ensure the consistent application of its policy.

The agency reports that it has not had the opportunity to apply the requirements of this section.

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### **§602.24 Additional procedures certain institutional accreditors must have.**

**If the agency is an institutional accrediting agency and its accreditation or preaccreditation enables those institutions to obtain eligibility to participate in Title IV, HEA programs, the agency must demonstrate that it has established and uses all of the following procedures:**

**(e) Transfer of credit policies.**

**The accrediting agency must confirm, as part of its review for initial accreditation or preaccreditation, or renewal of accreditation, that the institution has transfer of credit policies that--**

- (1) Are publicly disclosed in accordance with §668.43(a)(11); and**
- (2) Include a statement of the criteria established by the institution regarding the transfer of credit earned at another institution of higher education.**

**(Note: This criterion requires an accrediting agency to confirm that an institution's teach-out policies are in conformance with 668.43 (a) (11). For your convenience, here is the text of 668.43(a) (11):**

**“A description of the transfer of credit policies established by the institution which must include a statement of the institution's current transfer of credit policies that includes, at a minimum –**

- (i) Any established criteria the institution uses regarding the transfer of credit earned at another institution; and**
  - (ii) A list of institutions with which the institution has established an articulation agreement.”)**
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During its last review the agency failed to demonstrate the final adoption of its policy on transfer of credit and to document the agency's review of institutions' compliance with agency policy. In its compliance report the agency provided its adopted Transfer of Credit Policy (April of 2011) requiring institutions to have transfer of credit policies the COA to review those policies as part of its review of an institution to ensure that the institution has a written transfer of credit policy that is publicly disclosed and includes the statement of the criteria established by the institution regarding the transfer of credit earned at another institution.

The COA provided a site evaluation report ( Exhibit #19 page13) demonstrating the application of the requirements of this section.

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### **§602.25 Due process**

**The agency must demonstrate that the procedures it uses throughout the accrediting process satisfy due process. The agency meets this requirement if the agency does the following:**

- (a) Provides adequate written specification of its requirements, including clear standards, for an institution or program to be accredited or preaccredited.**
- (b) Uses procedures that afford an institution or program a reasonable period of time to comply with the agency's requests for information and documents.**
- (c) Provides written specification of any deficiencies identified at the institution or program examined.**
- (d) Provides sufficient opportunity for a written response by an institution or program regarding any deficiencies identified by the agency, to be considered by the agency within a timeframe determined by the agency, and before any adverse action is taken.**
- (e) Notifies the institution or program in writing of any adverse accrediting action or an action to place the institution or program on probation or show cause. The notice describes the basis for the action.**

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The agency did not need to respond to this criteria. It was found compliant at its last review.

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**(g) The agency notifies the institution or program in writing of the result of its appeal and the basis for that result.**

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During the last review of the agency the Department found that the agency needed to document that the appeal panel provides the institution or program with written notification of the appeal panel's rationale for the basis of the appeal result. In its compliance report the agency provided a letter template (Exhibit #20) to ensure inclusion of the appeals panel's rationale for the basis of the appeal.

The agency reports that it has not had the opportunity to apply the requirements of this section.

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**§602.26 Notification of accrediting decisions**

**The agency must demonstrate that it has established and follows written procedures requiring it to provide written notice of its accrediting decisions to the Secretary, the appropriate State licensing or authorizing agency, the appropriate accrediting agencies, and the public. The agency meets this requirement if the agency, following its written procedures--**

**((d) For any decision listed in paragraph (b)(2) of this section, makes available to the Secretary, the appropriate State licensing or authorizing agency, and the public, no later than 60 days after the decision, a brief statement summarizing the reasons for the agency's decision and the official comments that the affected institution or program may wish to make with regard to that decision, or evidence that the affected institution has been offered the opportunity to provide official comment; and**

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During the last review of the agency the Department found that it needed to demonstrate that it has policies and a process for including comments from an institution or program that is the subject of an adverse action with its notification to the Secretary. In its compliance report the agency provided its revised policies that include a reference to providing for comments from a program/institution in response to a COA action.

The agency provided its revised policies and a template of the letter used in the application of this requirement. However, the template does not provide this information.

The agency also reports that it has not had the opportunity to apply this requirement.

### **Analyst Remarks to Response:**

In response to the draft staff analysis the COA provided its revised language that will be added to the communications sent to institution/programs providing the opportunity to include comments if they are the subject of an adverse action. The agency's letters advising the U.S. Department of Education, appropriate State licensing or authorizing agencies, and to any member of the public who may request a copy of the letter will also include the response from the institution/program.

The agency also provided a copy of the letter template with that includes the revised language.

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### **§602.28 Regard for decisions of States and other accrediting agencies.**

**(d) If the agency learns that an institution it accredits or preaccredits, or an institution that offers a program it accredits or preaccredits, is the subject of an adverse action by another recognized accrediting agency or has been placed on probation or an equivalent status by another recognized agency, the agency must promptly review its accreditation or preaccreditation of the institution or program to determine if it should also take adverse action or place the institution or program on probation or show cause.**

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During the last review of the agency, the Department found that while the agency's policies and procedures are sufficient to comply with this requirement of this criteria the agency did not provide documentation demonstrating its application of its policy, such as providing a sample of a report submitted by the institution/program responding to the agency's requirement to describe the reasons for the actions by the other agency, and the impact the action has, if any on the program's ability to continue to meet the COA's standards of accreditation; or providing a sample letter from the Committee reflecting its decision after the review and evaluation of the report.

In its compliance report the agency reports that it has added language to the policy to strengthen the requirements to initiate review based on the adverse action or probation by another accrediting agency. However it has not had the opportunity to apply the requirements of this section.

### **PART III: THIRD PARTY COMMENTS**

The Department did not receive any written third-party comments regarding this agency.

